

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
| Estimated average burden hours per response: | 0.5       |

|   |   |  |
|---|---|--|
| 1. Name and Address of Reporting Person*<br><u>Keenan Capital, LLC</u><br><br>(Last) (First) (Middle)<br>1229 BURLINGAME AVENUE<br>SUITE 201<br><br>(Street)<br>BURLINGAME CA 94010<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>APPFOLIO INC [ APPF ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below)                   |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br>11/17/2016              |  |
|   | 4. If Amendment, Date of Original Filed (Month/Day/Year)                    | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |                        | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|------------------------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price                  |   |  |   |
| CLASS A COMMON STOCK            | 11/17/2016                           |  | S                              |   | 6,438   | D          | \$21.71 <sup>(1)</sup> | 1,300,048 <sup>(4)</sup>  | I  | By Partnership <sup>(5)</sup>                         |
| CLASS A COMMON STOCK            | 11/18/2016                           |  | S                              |   | 9,729   | D          | \$21.7 <sup>(2)</sup>  | 1,290,319 <sup>(4)</sup>  | I  | By Partnership <sup>(5)</sup>                         |
| CLASS A COMMON STOCK            | 11/21/2016                           |  | S                              |   | 6,217   | D          | \$21.62 <sup>(3)</sup> | 1,284,102 <sup>(4)</sup>  | I  | By Partnership <sup>(5)</sup>                         |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 6. Date Exercisable and Expiration Date (Month/Day/Year) |     | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) |   |  |  |   |  |

|   |
|---|
| 1. Name and Address of Reporting Person*<br><u>Keenan Capital, LLC</u><br><br>(Last) (First) (Middle)<br>1229 BURLINGAME AVENUE<br>SUITE 201<br><br>(Street)<br>BURLINGAME CA 94010<br><br>(City) (State) (Zip) |
|---|

|  |
|--|
| 1. Name and Address of Reporting Person*<br><u>Keenan Capital GP, LLC</u><br><br>(Last) (First) (Middle)<br>1229 BURLINGAME AVENUE<br>SUITE 201<br><br>(Street)<br>BURLINGAME CA 94010<br><br>(City) (State) (Zip) |
|--|

1. Name and Address of Reporting Person\*

[Keenan Charles J IV](#)

(Last) (First) (Middle)

1229 BURLINGAME AVENUE  
SUITE 201

(Street)

BURLINGAME CA 94010

(City)

(State)

(Zip)

**Explanation of Responses:**

1. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$21.50 to \$21.95, inclusive. The reporting persons undertake to provide to AppFolio, Inc., any security holder of AppFolio, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote (1).
2. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$21.60 to \$21.88, inclusive. The reporting persons undertake to provide to AppFolio, Inc., any security holder of AppFolio, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote (2).
3. The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$21.50 to \$21.80, inclusive. The reporting persons undertake to provide to AppFolio, Inc., any security holder of AppFolio, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote (3).
4. Mr. Keenan is the beneficial owner of 77,944 shares of Class A common stock over which he has sole voting and dispositive power. Mr. Keenan may also be deemed to beneficially own an additional 205,056 shares of Class A common stock held through family trust accounts for which he is either a co-trustee or a beneficiary. Mr. Keenan shares voting and dispositive power over the shares of Class A common stock held through such accounts.
5. These shares are owned directly by Keenan Capital Fund, LP ("KCF") and indirectly by Keenan Capital GP, LLC ("KCGP"), the general partner of KCF with voting and investment authority over these shares. KCGP has delegated such authority to Keenan Capital, LLC ("Keenan Capital"), the manager of KCF. Accordingly, KCGP disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest KCGP may have therein. As sole owner and Manager of Keenan Capital, Charles J. Keenan, IV ("Mr. Keenan") may be deemed to be the indirect beneficial owner of these shares.

[/s/ Charles J. Keenan, IV,](#)  
[Authorized Officer](#)

[11/21/2016](#)

[/s/ Charles J. Keenan, IV](#)

[11/21/2016](#)

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**